



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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December 19, 2011

IN REPLY PLEASE

REFER TO FILE: **AE-3**

TO: Each Supervisor

FROM: Gail Farber *Gail Farber*
Director of Public Works

JOB ORDER CONTRACTING

During the November 8, 2011, Board meeting, your Board raised a number of questions regarding Agenda Item No. 22, Award of Job Order Contracts (JOC), which were responded to in the meeting. The following is a briefing regarding JOC and its use by the Department of Public Works.

History of JOC

JOC is a competitively bid, as-needed, fixed-price, unspecified-quantity annual contract that enables agencies to accomplish a large number of repair, refurbishment, and maintenance projects. By establishing fixed unit costs, JOC enables agencies to reduce the time and expense of designing, bidding, and constructing refurbishment and maintenance projects. JOC was initially used by the Federal government in the form of a task order.

The State of California Public Contract Code Section 20128.5 authorizes the Board of Supervisors to award individual annual JOC contracts for repair, refurbishment, or other repetitive work according to unit prices. However, JOC cannot be used for new construction. Public Works and Internal Services Departments began using JOC in the mid-1990s and presently use it on various projects throughout the County of Los Angeles.

Along with Public Works and Internal Services Departments, JOC is used by numerous other departments and agencies such as the Department of Parks and Recreation; Community Development Commission; Los Angeles Unified School District; San Bernardino, San Diego, and Ventura Counties; and the California State University System.

By utilizing JOCs, Public Works has access to on-call construction contractors acquired through competitive bidding ready to be mobilized for the projects. Instead of bidding project by project, prospective contractors bid on a catalog of construction tasks, each of which has a direct cost, unit of measure, and specification. During the 1-year term of

the JOC contract, the contractor may complete multiple projects up to the maximum dollar amount set by the State, which is currently at \$4.2 million.

Procurement of JOCs

JOC is comprised of two components: a unit price book containing a catalog of construction tasks developed for Public Works projects with corresponding unit prices. The second component is a set of master specifications based on the Construction Specifications Institute standards.

Based on the JOC unit price book and specifications adopted by your Board, Public Works issues Request for Bids, inviting contractors to bid adjustment factors for the JOC book. Bidders typically bid two adjustment factors. One for work performed during normal working hours, and the other for work performed outside normal working hours. The adjustment factors must include the contractor's indirect costs such as overhead, profit, insurance, and bonds. The contractor bidding the lowest adjustment factors is declared the low bidder. All JOCs are awarded and/or authorized by your Board.

Work Orders

Once Public Works identifies a project that can be performed through JOC, Public Works informs your Board through a Board letter that we intend to use JOC to accomplish construction. Subsequently, Public Works and the JOC contractor visit the site and jointly review the scope of work. Then Public Works prepares a scope of work document and provides it to the contractor along with a request for a proposal for the project. The contractor's proposal breaks down the project into individual JOC book tasks and estimates the required quantities. The proposal also includes a schedule, a list of proposed subcontractors, and Community Business Enterprise compliance information. The total work order amount is the sum of the unit price for each task times the quantity, times the appropriate adjustment factor stated in the awarded JOC contract.

Public Works reviews the proposal and either accepts the proposal, requests modifications, or rejects the proposal. If the proposal is accepted, a Notice to Proceed is issued for the project. Once the work begins, Public Works inspects the work, approves payments, and closes out the project at completion. In addition, Public Works informs your Board through quarterly memorandums of the actions taken by Public Works.

JOC is used because it is a relatively simple and straightforward process, which reduces administrative requirements and lowers direct construction costs while meeting Federal, State, and County procurement requirements. The use of these contracts

Each Supervisor
December 19, 2011
Page 3

expedites the completion of repair, remodeling, and refurbishment of County facilities and infrastructure work managed by Public Works.

For future capital projects, we plan to enhance our JOC project execution process by including a recommendation in the Board letters requesting your Board's authorization for the use of JOC to perform construction of that project.

If you have any questions, please call me or your staff may contact Massood Eftekhari at (626) 458-4016.

RF:rk

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cc: Chief Executive Office
County Counsel
Executive Office